

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING AND PUBLIC HEARINGS

April 17, 2007

The Council of the City of Horseshoe Bay held a Public Meeting and Public Hearings at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, April 17, 2007, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Karen Wines, Alderwoman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present. Reverend Johnny White from the Church at Horseshoe Bay led the invocation. Mayor Lambert led the pledge of allegiance to the United States Flag and the Texas Flag.
2. Comments from Mayor: Mayor Lambert asked Chief Lane to introduce new police officer, Mechelle Denton.
3. Comments from Aldermen: Alderman Rantzow said he had turned in a request to the Police Department to perform a security watch on his house while he was out of town. He was having some construction done on his house and a window and door had been left open. One of the Police Officers noticed this while patrolling and took the appropriate action. Alderman Rantzow commended Chief Lane and the Police Department for their work. Alderman Robinson read a statement concerning Lago Escondido and asked that a copy be attached to the minutes of this meeting. Alderman Babcock confirmed that he joined with Alderman Robinson in this statement. City Attorney Monte Akers was consulted and confirmed there were no conflicts of interest on any votes concerning Lago Escondido. He added the Llano County hotel/motel tax bill has passed committees in both houses and is pending a vote. The Council did endorse this so long as it was not in Horseshoe Bay or its ETJ and no other cities; however, the bill initially failed to exclude the City of Horseshoe Bay. With the help of Monte Akers and Senator Troy Frasier this was corrected and excludes any hotel within the City and its ETJ. City Attorney Akers stated this tax would apply to hotels/motels and would exclude leases of condominiums in his opinion.
4. Public Comments: There were no public comments.

5. Hawgs n Hills Rally in Llano on April 26, 27 and 28, 2007: County Commissioner Heck gave a presentation concerning a biker's rally scheduled in Llano County. He estimated 10,000 to 15,000 visitors to Llano County.
6. Continuation of Public Hearing Regarding Application for Amendment to Zoning Ordinance of 6.37 acres consisting of all Lot Nos. 2 through 7 and Portions of Lot Nos. 1, 8, 35 through 38 of Lago Escondido, Plat No. 4.1, Llano Co., Texas to Change Zoning Classifications, Consider Lago Escondido Planned Development Zone Ordinance and a Replat of Lot Nos. 1 through 12 and 32 through 39 of Lago Escondido, Plat No. 4.1 to be known as Lago Escondido, Plat No. 4.2: This application was withdrawn by Escondido and there was no continuation of the Public Hearing.
7. Consideration of approval of:
 - a. Application for Amendment to Zoning Ordinance of 6.37 acres consisting of all Lot Nos. 2 through 7 and Portions of Lot Nos. 1, 8, 35 through 38 of Lago Escondido, Plat No. 4.1, Llano Co., Texas to Change Zoning Classifications and adoption of Lago Escondido Planned Development Zone Ordinance.
 - b. Preliminary Replat of Lot Nos. 1 through 12 and 32 through 39 of Lago Escondido, Plat No. 4.1 to be known as Lago Escondido, Plat No. 4.2
 - c. Final Replat of Lot Nos. 1 through 12 and 32 through 39 of Lago Escondido, Plat No. 4.1 to be known as Lago Escondido, Plat No. 4.2

This application was withdrawn by Escondido and there was no action taken on this item. Mayor Lambert thanked everyone for their efforts on this application and especially recognized Alderman Robinson for his work on this issue. Mr. Hugh Reed said he felt like all parties involved made a conscientious effort and he appreciated everyone's participation. He especially thanked the Council for their efforts and professionalism and Dean Blaine for acting in good faith and all his work on trying to get this issue resolved.

8. Items to be Removed from the Consent Agenda: Alderman Rantzow asked if the 20% Residence Homestead Tax Exemption was the maximum allowed. It was stated that this is the maximum allowed. Alderwoman Wines asked if Item 9.d. could be amended in order to make this permanent until further action was taken by the Council to change it. Attorney Akers said this was possible and it was decided to amend Item 9.d.

9d. Resolution Adopting a 20% Residence Homestead Tax Exemption: Alderwoman Wines made the motion to amend the Resolution adopting a 20% Residence Homestead Tax Exemption beginning in the year 2007 and for the beginning of each subsequent year until amended by Resolution of the City Council. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).

9. Consent Agenda Items:
 - a. Minutes of the March 12, 2007 Workshop and Public Meeting and the March 20, 2007 Public Meeting
 - b. Final Plat Approval:

- i. Replat of Lot Nos. 37038 through 37042 and Lot No. 37047, Horseshoe Bay Plat No. 37.3 to be known as Horseshoe Bay Plat No. 37.18, Llano County, Texas (Surefire)
- ii. Replat of 159.40 acres of Horseshoe Bay, Tract “XX” and 53.93 acres of Horseshoe Bay, Tract “YY” to be known as Preliminary Plat of Skywater Over Horseshoe Bay, Phase One, Llano County, Texas
- iii. Replat of Lot Nos. 2T, 3T, 4T, 6T, 8T, 10T, 12T, 14T, AND 16T, Horseshoe Bay Applehead Island, Plat No. 20.1 and Lot Nos. 2D and 3D, Horseshoe Bay, Applehead Island, Plat No. 19., Llano County, Texas
- iv. Replat of Lots W23080 through W23082, of Horseshoe Bay, Plat No. W23.1, Llano County, Texas (Coyote & Apache Tears)
- c. Investment Policy
- e. Amendment to Zoning Ordinance of Lot No. W9010 from Multi-Family to Single-Family, Horseshoe Bay West Plat No. 9.8, Llano Co., Texas (Uplift & Bay West Blvd.)
- f. Budget Amendment for Line Item Transfer from General Fund Municipal Court Expense to General Fund Capital Outlay not to exceed \$15,000 for Incode Municipal Court Software and Hardware

Alderman Robinson made the motion to approve the remaining Consent Agenda items. Alderman Babcock seconded the motion. The motion passed unanimously (5-0).

- 10. Public Hearing Regarding the Proposed Extension of the Moratorium on New Construction in Zone 13, CapRock Zone, and Zone 14, HSB Boulevard Corridor Zone
- 12. Public Hearing Regarding Variance to Zoning Ordinance and Replat of Lot No. 86 of Escondido, Plat No. 1.1, Llano County, Texas
- 14. Public Hearing Regarding Variance to Zoning Ordinance for Unit 18-7, The Villas at Siena Creek, Regarding Requirements for Minimum Dwelling Unit Size and Garage Placement, Llano County, Texas: Mayor Lambert stated no one had signed up to speak on these three Public Hearings and he would like to combine them. The Public Hearings were convened at 3:27 p.m. Mayor Lambert asked if there were any public comments, there were none and the Public Hearings were adjourned at 3:28 p.m.
- 11. Consideration of Adoption of an Extension of the Moratorium on New Construction in Zone 13, CapRock Zone, and Zone 14, HSB Boulevard Corridor Zone: Alderman Rantzow stated that he understands that the Council is simply waiting on a presentation by the Resort concerning the development of these areas. Mayor Lambert said that is the case and added that there will be no development in these areas without approval of the City Council. Alderwoman Wines made the motion to adopt the extension of the moratorium on new construction in Zone 13, CapRock Zone, and Zone 14, HSB Boulevard Corridor Zone for an additional 120 days. The motion was seconded by Alderman Robinson. Alderman Bird asked Ron Mitchell about the progress of plans. Mr. Mitchell said he thinks the largest portion which is the area from LaBahia to the Yacht Club will be ready to present to the Council within the next 90 days. The motion passed unanimously (5-0).
- 13. Application for Variance to Zoning Ordinance and Replat of Lot No. 86 of Escondido, Plat No. 1.1, Llano County, Texas: Mayor Lambert asked if there were any comments or questions on this application for a variance to the requirement for a thirty-five (35) foot front

building setback to allow a twenty (20) foot setback and a variance to the requirement for a twenty-five (25) foot rear building setback to allow a nine (9) foot setback in order to save two (2) live oak trees. Alderman Robinson made the motion to approve the variance to the Zoning Ordinance and the replat of Lot No. 86. The motion was seconded by Alderman Rantzow. The motion passed unanimously (5-0).

15. Application for Variance to Zoning Ordinance for Unit 18-7, The Villas at Siena Creek, Regarding Requirements for Minimum Dwelling Unit Size and Garage Placement, Llano County, Texas: Mayor Lambert asked if there were any comments or questions on this application for a variance to the requirement that all lots provide for a garage which shall not face the street to allow for a front-facing garage on this unit and a variance to the minimum dwelling size requirement of 3,000 square feet to allow this dwelling unit size of 2,780 square feet due to the fact that these condominium villas were planned prior to the annexation of this property. Alderman Rantzow made the motion to approve the variance to the Zoning Ordinance for Unit 18-7. The motion was seconded by Alderman Babcock. The motion passed unanimously (5-0).
16. Skywater Planned Development Ordinance: Mayor Lambert informed the Council there was a new map of the Master Plan in their packet. The clubhouse area was the wrong color on the original map and should be commercial. The Ordinance needs to be adopted with the revised map. Alderwoman Wines said she still has a concern about traffic and would like to have a traffic study. Mr. Sam Martin stated TxDOT is looking at the intersections where the roads will meet on Hwy 71 and RR 2147. Alderwoman Wines asked if there is any way to add another major street to serve this area. Mr. Martin said if you look on the map they have tied into High Mesa in HSB and this will make a complete loop and means there will not just be one road. She then asked if there would ever be a traffic study done in Horseshoe Bay. Mayor Lambert said he felt there would be one on HSB Boulevard. Mr. Babcock said this was on the Council's agenda to consider in 2007. Mr. Martin said Section F, C 2-Commercial of the PD Ordinance should read "A minimum of one (1) parking space per 250 square feet of net rentable space is required". Also the section regarding roof construction was already included in the general provisions and should be removed from this section. Mr. Martin also stated the maximum size allowable on a lot larger than one-half acre is too small to allow for hangars. Mr. Babcock suggested addressing the building size with a variance when needed. Mayor Lambert agreed and said the City would note that Mr. Martin raised this as an item of concern. Alderman Babcock made the motion to adopt the Skywater Planned Development Ordinance to become effective when the property is annexed and to make the two changes previously discussed. The motion was seconded by Alderman Bird. Alderwoman Wines said she could not vote for this without a traffic study being done. The motion passed by a vote of 4 ayes and 1 nay, Alderwoman Wines.
17. General Manager Report: General Manager Thuss presented his report to the Council, a copy of which is attached and made a part of these minutes. Mr. Thuss stated the Utility expenses continue to be over budget and he has started the process to determine the problem. He would like to take more time in order to do a more thorough study and make a presentation at the May Council meeting. Alderman Babcock asked why the interview process for the Director of Public Works position was taking so long. Mr. Thuss reported that the five top candidates are from out of town and in order to arrange an interview

schedule to fit into their schedules, as well as those who will participate in the interviews, it was determined that the week of the 7th of May would work the best for all involved. Mayor Lambert added the last day for applications was April 16th. Alderman Babcock also asked about the draft Capital Improvement Plan and if it was available for review. Mr. Thuss said this is a two part document and both are in draft form and available for review at this time. Alderman Robinson asked whether deer control is included in animal control and now regulated by the Police Department. Mayor Lambert stated he has discussed this with the HSB POA and they would like to continue to take care of the deer control and they work with all of the other POAs on this. Mr. Thuss added the City's animal control is only for domestic animals.

18. Resolution Endorsing Senate Bill 669: Mayor Lambert introduced Ilene Perkett who asked the Council to consider a Resolution endorsing Senate Bill 669 to prohibit construction of new billboards on State Hwy 71 from the western city limits of Austin in Travis County to State Hwy 16 in Llano County. She added this has passed in the Senate and now goes to the House. It only affects new construction and any existing billboards are grandfathered. Alderman Robinson made the motion to adopt the Resolution endorsing Senate Bill 669. Alderwoman Wines seconded the motion. The motion passed unanimously (5-0).
19. Residential Speed Limits: Chief Bill Lane reported to the Council that he was approached several months ago by residents on Lighthouse Drive regarding reducing the speed limit. He stated residential speed limits are set by legislation at 30 mph unless reduced by the Council. The City would be able to reduce this limit to 25 mph without being required to do any type of survey. He considered drafting an ordinance specifically for Lighthouse Drive; however, he has now been approached by residents in other residential areas in the City to also lower their speed limits. Among these are The Trails of HSB, Applehead Island and Pecan Creek. He asked for the Council's guidance. He pointed out that the City would be required to post signs to show the limit has been reduced from the normal 30 mph. Alderwoman Wines suggested a petition to avoid giving the appearance that the City is attempting to raise funds through traffic fines. Alderman Robinson asked if this had been discussed with the HSB POA. Alderman Rantzow asked how much signage would be required and if posting at the entrances to each subdivision would be sufficient. After some discussion it was decided that Chief Lane would communicate this issue to the POA's and Resort, as well as study various ways to seek opinions from residents.
20. Procedure for Appearing Before the Council: Mayor Lambert stated the Council packet contains the current policy of the Council as well as a draft for a new policy. Alderwoman Wines stated she has concerns about limiting speakers to three minutes. Mayor Lambert noted the proposed procedure allows someone needing more time to contact him and he would expect to approve any reasonable request. He feels this allows for much more flexibility than the previous policy and is in line with other cities' policies. Alderman Robinson stated he felt the Mayor needs some rules that the public is required to follow. Alderman Babcock said all members of the Council are residents and accessible to the public and residents should feel they can discuss items with any of them individually at any time, but to have an orderly meeting there must be some rules. Mr. Rantzow proposed the City notify the individual POA's of any zoning items and then let the POA notify property owners if they felt it necessary to do so. Mayor Lambert said the Architectural Committee from each

POA is required to approve items prior to being placed on the Council agenda; however, Mayor Lambert said this could be done. Alderman Rantzow made the motion to approve the revised procedure for appearing before the Council. The motion was seconded by Alderman Robinson. The motion passed unanimously (5-0).

21. Financial Advisor: General Manager Mike Thuss stated the Mayor and staff recommend obtaining proposals from financial adviser firms, forming a review and working committee, and selecting a financial advisor at no cost to the City. Among the issues facing the Council are two items that need to be presented for public discussion. These are the relationship between the General Fund and the Utility Fund and whether the Utility Fund should be able to support itself without support from the General Fund. Also, if the Utility Fund is to be a standalone fund, how to achieve that end. The second item is how to fund significant infrastructure capital improvement projects – whether from a cash position or through incurring debt. He requested the Council to authorize staff to seek proposals from Financial Adviser firms, to form a committee made up of the Mayor and Alderman Rantzow, and that this committee review the submitted proposals and select a Financial Advisor for the City. Financial Advisors generally work with the City on a no-cost basis. Mr. Thuss also requested the Council to provide names of firms that they would recommend getting proposals from. Alderman Robinson made the motion to approve the Staff to seek proposals from the recommended Financial Advisor firms, for the Mayor and Alderman Rantzow to form a committee, and to authorize the committee to review the proposals and select the Financial Advisor. The motion was seconded by Alderwoman Wines. The motion passed unanimously (5-0).
22. Utility Rate Consultant: General Manager Thuss stated the Mayor and staff recommend hiring a Utility Rate Consultant. They requested and received three consulting firms' proposals to perform a cost of service and utility rate design study for the City. The Mayor and Mr. Thuss have reviewed the proposals and recommend selecting Water Resources Management, LP for a fee not to exceed \$25,000. Funds are available from the General Engineering Service budget in the Utility Fund. The Mayor recommends a committee of himself and Alderman Rantzow, former Alderman Don Wood and Mike Thuss to work with the consultants. He asked that the General Manager be authorized to enter into a contract with Water Resources Management, LP for a fee not to exceed \$25,000 to complete the cost of service and rate design study. Mayor Lambert said a year ago when starting the budget process it was discussed that the City should engage a professional consultant to analyze the water and wastewater rates and make a recommendation to the City. They would also furnish a model to use in subsequent years. Alderman Robinson made the motion to authorize the General Manager to enter into a contract with Water Resources Management, LP for a fee not to exceed \$25,000 to be funded from the General Engineering Services budget in the Utility Fund and for the Mayor, Alderman Rantzow, former Alderman Don Wood, and General Manager Mike Thuss to form a committee to work with the consultants. The motion was seconded by Alderman Babcock. The motion passed unanimously (5-0).

Executive Session: At 4:39 p.m., Mayor Lambert announced that the Council would go into Executive Session pursuant to Section 551.071 of the Texas Open Meetings Act.

Regular Meeting Resumed: At 5:20 p.m., the Executive Session having ended, Mayor Lambert resumed the Regular Meeting and announced that no action or votes had been taken in the Executive Session.

23. Seek Advice from Legal Counsel Regarding Procedures for Approving Replats Prior to the Adoption of the City Subdivision Ordinance including Employment of Consultants for Real Estate Title Review: Alderman Babcock made the motion to adopt a Resolution adopting a procedure for reconsideration of rulings on replats approved by the Council between December 2005 and February 2007 which provides for: 1) the City's Secretary, under the supervision of the City Attorney, to undertake to schedule such rehearings for 10 a.m. June 19, 2007, or such other date and time that may be determined to be appropriate, and to retain the services of Don Sherman and his associates to assist in preparing a list of those owners of property entitled to receive notice, and to mail such notice to the same and to all affected applicants for replats no later than 15 days prior to such hearing date in a form substantially similar to that attached hereto; 2) the Council to authorize the Mayor the authority to schedule hearings on any replats deemed to have the potential for being contested at 10 a.m. May 15, 2007, or such other date that may be determined by him to be appropriate; and 3) to retain Wade Hutto of the law firm of Hutto and Lucksinger to provide legal counsel as to matters involving the interpretation and implementation of real estate issues including replatting and other matters now pending before the City Council. Alderman Robinson seconded the motion. The motion passed unanimously (5-0).

23. Adjournment: Alderman Robinson made the motion to adjourn the meeting at 5:30 p.m. Alderman Rantzow seconded the motion. The motion passed unanimously (5-0).

APPROVED this 15th day of May, 2007.

/S/
Robert W. Lambert, Mayor

ATTEST:

/S/
Toni Vanderburg, City Secretary